

## CHAPTER 4:

# AUDITOR GENERAL'S PERFORMANCE SUPPORT REPORT AND FINANCIAL STATEMENTS

Kou-Kamma Municipality has prepared financial statements in line with section 122 of the Municipal Finance Management Act (Act No.56.2003). According to the MFMA the financial statements should:

Fairly represent the state of affairs of the municipality or entity, its performance against its budget, its management of revenue, expenditure, assets and liabilities, its business activities, its financial results, and its financial position as at the end of the financial year.

Disclose the information required in terms of sections 123, 124 and 25.

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## GENERAL INFORMATION

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### MEMBERS OF THE COUNCIL

O'Connell N J  
Yake F J  
Jacobs D M  
Kettledas J  
Strydom F  
Reeders C  
Jacobs S  
Mntambo N E  
Ncethezo S D  
Wogane M W

### MAYOR:

O'Connell N J

### GRADING OF LOCAL AUTHORITY

Grade (No grading system)

### AUDITORS

Auditor General

### BANKERS

ABSA

### REGISTERED OFFICE

P O Box 11  
Kareedouw

### PHYSICAL ADDRESS

Keet Street 5  
Kareedouw  
Tel no: 042-2880303  
Fax no: 042-2880797

### MUNICIPAL MANAGER

Ndokweni M (B Juris)

### ACTING CHIEF FINANCIAL OFFICER

C Oudshoorn

### APPROVAL OF FINANCIAL STATEMENTS

The annual financial statements as set out were approved by the Municipal

Manager on 31-08-2007 and presented to and approved by Council on \_\_\_\_\_.

  
\_\_\_\_\_  
MUNICIPAL MANAGER

B Juris

  
\_\_\_\_\_  
ACTING CHIEF FINANCIAL OFFICER

## FOREWORD –FINANCIAL STATEMENTS : 2006/2007 OF KOU-KAMMA MUNICIPALITY



**COUNCILLOR NOEL J. O' CONNEL: THE MAYOR**

**KOU-KAMMA THE BEHOLDER OF OUR PRIDE, OUR AMBITION AND OUR DESTINY TO OUR BETTER LII**

My statement to these Financial Statements is accompanied by a sentiment of despair and hope. Hope that we will manage to overcome all our difficulties, barriers and challenges. We also proud ourselves to report that this is the first time in this history of Kou-Kamma, that we will be punctual in the submission of our Financial Statements. In itself we are making a Statement to declare our commitment to turn back the tide. This achievement happened at the background of:

- Capacity and institutional challenges
- Very weak Finance Department and Capacity problems
- Low financial viability of the Municipality
- Infrastructure and Technical backlogs


We also pledge to continuously strive towards advancing good co-operate governance, sound financial discipline and efficient administration. We also need to explore and promote the realization of the co-operative governance engagement with our Provincial, National and District counterparts. Another area to explore is the establishment of Strategic Municipal Partnerships. especially in the area of Local Economic

We have a long and steep stride to go, but we are happy because we are going to make it this time.

**“OUR TOMORROW LOOKS BRIGHT; OUR FUTURE IS FULL OF GOOD PROSPECTS”**

**“LIFE WILL COME BACK TO THE PEOPLE OF KOU-KAMMA AND WE WANT IT NOW”**

Sincere greetings

  
Noel O' Connel  
Kou-Kamma Municipality  
THE MAYOR  
Annual Report 2006/2007



# CHIEF FINANCE OFFICER'S REPORT FOR THE YEAR ENDED 30 JUNE 2007

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The financial statements for the financial year was completed within the timeframes stipulated by legislation and can therefore be of assistance to Council. The implementation of the new financial system made it possible that the statements were prepared in time. The assistance of a service provider for the compilation of the statements was necessary due to the fact that statements for the financial years 2002/03, 2003/04, 2004/05 and 2005/06 were audited by the Auditor-General late in the 2006/07 financial year. This and the fact that the Chief Financial Officer and a senior staff member of finance terminated their services placed a massive workload on the staff members of the department.

The following comments on the financial matters of the Municipality are necessary:

## 1 Operating Results

Details of the operating results are included in appendices A to E. The overall operating results for the year ended 30 June 2007 are as follows:

Service	Income 2006	Expenditure 2006	Surplus (Deficit)	Income 2007	Expenditure 2007	Surplus/ (Deficit)
Community Services	13,597,588	16,350,484	(2 752 896)	19,346,355	24,579,378	(5 233 023)
Subsidised Services	90,229	288,472	( 198 242)	184,944	465,989	( 281 045)
Economic Services	6,025,418	4,474,396	1,551,022	7,363,125	6,833,624	529,501
Housing Services	0	233,309	( 233 309)	0	424,785	( 424 785)
Trading Services	5,957,662	4,156,115	1,801,547	7,016,816	6,061,225	955,591
<b>TOTAL</b>	<b>25,670,897</b>	<b>25,502,775</b>	<b>168,122</b>	<b>33,911,240</b>	<b>38,365,001</b>	<b>(4 453 761)</b>

### 1.1 Rates and General Services

The rates and general account shows a deficit of R4 984 567 for this year whilst it showed a deficit of R1 400 116 in 2005/2006. This is mainly due to the fact that the equitable share was allocated to various services.

### 1.2 Housing

The housing activities resulted in a deficit of R424 785 due to the administration of the housing development.

### 1.3 Trading Services

The electricity account shows a deficit of R34 636 against a deficit of R241 129 the previous year. The water account shows a surplus of R990 227. Attention should be given to the electricity account.

### 1.4 Accruals for Services

Although accruals for all services have been done, more attention will be given to the monthly accruals and the reconciliation thereof. Water and electricity meters have been read and accounts have been prepared. Accounts have been delivered monthly to the consumers during the year.





## 2 Capital Expenditure and Funding

4.1

The expenditure on fixed assets incurred during the year amounted to R1 534 858. The expenditure capitalised during this period consists of the following:

### COMMUNITY and SUBSIDISED SERVICES

Properties and sundries	R20 000
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### SUBSIDISED SERVICES

Library Equipment	R33 980
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### TRADING SERVICES

Electricity	R1 430 614
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Water	R50 264
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The expenditure was funded mainly from Grants and Subsidies.

## 3 Cash and Investments

The municipality had a net overdraft balance of R102 440 compared to the favourable balance of R118 236 the previous year. Investments amounting to R157 032 was recorded this financial year compared to R149 472 of the previous year. The net cash value reduced by R220 676.

This is mainly due to the increase in debtors. Although cash and investments have been separated, these accounts are treated the same because direct payments are also made from the investment accounts.

## 4 Debtors

The debtors register reflects the accounts per consumer and was accepted as correct. No additional contribution was made to the bad debts reserve account. The net total debtors amounts to R24 040 662 which is an increase of R5 130 267.

## 5 Funds and Reserves

Most of the funds were not supported by cash. Refer to appendix A for details.

A contribution was made to the Revolving Fund of 7.5% of rates income.

The Dog Tax Ordinance 19 of 1978 requires council to maintain a special account to the control of dogs. This fund is not active and consideration should be given to write the fund off.

Details of the trust funds are reflected in the financial statements.

## 6 External Loans

Council had no external loans.

## 7 Expression of Appreciation

We are grateful to the Mayor, Councillors and staff for the support they have given through the year.

## 8 Post balance sheet events

Refer to note 19 with regard to the contingent liabilities

## 9 Grant and subsidies

Council received grants to the value of R12 928 277 to subsidise certain operating costs

  
CHIEF FINANCIAL OFFICER

31 August 2007

## ACCOUNTING POLICIES

### 1 BASIS OF PRESENTATION

- 1.1 These financial statements conform to the standards laid down by the Institute of Municipal Financial Officers in its Report on the Standardisation of Financial Statements of Local Authorities (2<sup>nd</sup> Edition – September 1996).

The financial statements have been prepared in the new format as set out by the above Institute.

- 1.2 The financial statements are prepared on the historic cost basis. The accounting policies are consistent with those applied in the previous year, except if otherwise indicated.
- 1.3 The financial statements are prepared on the accrual basis:

Income is accrued when collectable and measurable. Certain income is accrued when received such as traffic fines and licenses.

Expenditure is accrued in the year it is incurred.

### 2 CONSOLIDATION

The balance sheet includes the Rates and General Services, Housing Service, Trading Services and the different funds, reserves and provisions. All the inter-departmental charges are set-off against each other with the exception of assessment rates, refuse removal, sewerage, electricity and water, which are treated as income and expenditure in the respective departments.

### 3 FIXED ASSETS

- 3.1 Fixed assets are stated at historical cost while they are in existence and fit for use. Certain replaceable assets such as furniture and equipment, water reticulation, sewer reticulation, roads and drainage, vehicles and plant are stated at depreciated value and are written off at the end of the loan repayment period. No revaluation of assets were made during this financial year.
- 3.2 The balance shown against the heading “Loans Redeemed and Other Capital Receipts” in the notes to the balance sheet is tantamount to a provision for depreciation. By way of this “provision” assets are written down over the loan repayment period.

Apart from advances from the various funds, Assets may also be acquired through:

Appropriation from Income. The full cost of the asset forms an immediate and direct charge against the operating account.

Grants and Subsidies. The amount representing the value of the Grants and Subsidies is credited to the “Loans Redeemed and Other Capital Receipts” account.

- 3.3 All net proceeds from sale of fixed immovable property are credited to the Revolving Fund. Net proceeds from the sale of movable assets are credited to the Operating Account.

### 3.4 Financing

Capital Assets are financed from different sources including external loans, provision and reserves, operating income, grants, subsidies and internal advances. Advances are repaid over the estimated lives of the assets in accordance with the guidelines issued by Province. Advances from the Revolving Fund are repaid on any annuity basis.

- 3.5 **Interest Rates: Advances from Revolving Fund**  
Advances made are required at market related interest rates.

4 **INVESTMENTS**

Investments are reflected as cost and comprise securities and prescribed in terms of the Local Government Transition Act, Second Amendment Act 97 of 1996. On certain investments

5 **REVOLVING FUND**

expenditure are pooled in this fund so as to facilitate the control and management thereof. The moneys in the fund may be utilised to repay loans, financial capital expenditure and defray expenses incurred with the raising of loans.

6 **STOCK**

Stock is reflected at cost.

7 **RETIREMENT BENEFITS**

Council operates 2 retirement schemes to which contributions are charged against operating income at the following rates:

SALARY	% OF BASIC
Cape Joint	18%
SALA	18.07%

Full actuarial valuation for the above mentioned funds are performed every 3 years

8 **TREATMENT OF ADMINISTRATION AND OTHER OVERHEAD EXPENSES**

The cost of internal support services are transferred to the different services in accordance with the Institute of Municipal Finance Officers report on Accounting in Support Services. Council has approved a charge out based on percentage of actual cost.

9 **TREATMENT OF SURPLUSES AND DEFICITS**

Any surpluses or deficits arising from the electricity and water services are transferred to the Rate and General Service.

10 **INCOME RECOGNITION**

10.1 **Electricity and Water Billings**

Electricity and Water meters in all business and residential areas are read and billed monthly. Due dates for payments are approximately six weeks after meter readings.

10.2 **Assessment Rates**

Council applies a flat rating system. The same rate factor is applied to land and buildings. In terms of this system, assessment rates are levied on the value of land and buildings in respect of properties. Rebates are granted according to the use of the property concerned.



# KOUKAMMA MUNICIPALITY

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## BALANCE SHEET AT 30 JUNE 2007

	Note	2007 R	2006 R
<b>CAPITAL EMPLOYED</b>			
<b>FUNDS AND RESERVES</b>			
Accumulated funds	1	2 310 947	2 107 293
Reserves	3	2 228 845	2 025 191
		82 102	82 102
<b>ACCUMULATED SURPLUS / (DEFICIT)</b>		10 605 991	14 749 732
		12 916 938	16 857 025
<b>TRUST FUNDS</b>	2	5 792 374	(261 067)
CONSUMER DEPOSITS	12	104 700	104 700
		18 814 013	16 700 658
<b>EMPLOYMENT OF CAPITAL</b>			
<b>FIXED ASSETS</b>	4	3 693 717	3 693 717
<b>LONG-TERM DEBTORS</b>	6	10 697	29 291
		3 704 414	3 723 008
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		15 109 599	12 977 650
<b>CURRENT ASSETS</b>		24 890 090	19 398 130
Debtors	8	24 040 662	18 910 395
Short term portion of long term debtors	6	31 309	46 664
Short term investments	5	157 032	149 472
Cash & Bank		661 087	291 599
<b>CURRENT LIABILITIES</b>		9 780 490	6 420 480
Provisions	10	1 259 628	1 217 278
Creditors	11	7 757 335	5 029 839
Bank overdraft		763 527	173 363
		18 814 013	16 700 658

  
**MUNICIPAL MANAGER**  
 B Juris

  
**ACTING CHIEF FINANCIAL OFFICER**



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# KOUKAMMA MUNICIPALITY

## CASH FLOW STATEMENT FOR THE PERIOD ENDED 30 JUNE 2007

	2007 R	2006 R
<b>CASH RETAINED FROM OPERATING ACTIVITIES:</b>		
Cash generated by operations	2,263,649	-499,520
Investment income external	-73,994	-139,271
(Increase)/decrease in working capital	-2,402,771	-346,962
External interest paid		
Grants and Subsidies	1,534,858	1,925,003
Net Proceeds on disposal of fixed assets		-75,930
<b>CASH UTILISED IN INVESTING ACTIVITIES</b>		
Investment in Fixed Assets	-1,534,858	-2,032,455
<b>NET CASH IN / (OUT) FLOW</b>	<u>-213,117</u>	<u>-1,169,135</u>
<b>CASH EFFECTS OF FINANCING ACTIVITIES:</b>		
(Increase)/decrease in cash investments	-7,559	168,465
(Increase)/decrease in cash	220,677	1,000,670
<b>Net cash (generated)/utilised</b>	<u>213,117</u>	<u>1,169,135</u>

NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2007

	2007 R	2006 R
<b>1. ACCUMULATED FUNDS</b>		
Revolving Fund	2,173,642	1,969,988
Dog Tax	55,203	55,203
	<u>2,228,845</u>	<u>2,025,191</u>

(Refer to appendix A for more detail)

The purpose of the fund is to provide internal finance for projects and/or purchase of equipment.

**2. TRUST FUNDS**

Training	1,815	1,815
Housing	-1,740,270	-645,191
Library	76,549	24,310
IDP	150,000	0
MSP	125,737	358,000
MIG	7,178,544	0
	<u>5,792,374</u>	<u>-261,066</u>

Refer to appendix A for more detail

These funds have all specific purposes as indicated by the name of the fund. Training fund is for training, Housing fund for the building of houses, Library fund for library equipment, MIG for infrastructure development, IDP for the preparation for a development plan and MSP for professional services to assist the municipality.

**3 RESERVES**

Renewals fund	82102	82102
	<u>82,102</u>	<u>82,102</u>

Refer to appendix A for more detail

The purpose of this fund is to replace equipment.

**4 FIXED ASSETS**

Fixed assets at the beginning of the year	43,616,874	41,680,342
Capital expenditure during the year	1,534,858	2,032,455
Less: Assets written off, transferred or disposed of during the year	0	95,923
<b>TOTAL FIXED ASSETS</b>	<u>45,151,732</u>	<u>43,616,874</u>
Less: Loans redeemed and other capital receipts	41,458,015	39,923,157
<b>NET FIXED ASSETS</b>	<u>3,693,717</u>	<u>3,693,717</u>

(Refer to appendix C and section 2 of the Treasurer's Report for more details on Fixed Assets)

All the assets of council are shown at cost and no depreciation is calculated.  
The council did not engaged into any gaurantees whereby the assets of council serve as collateral.  
Council has a vehicle lease agreement for a period of 5 years.

## NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2007

	2007 R	2006 R
<b>5 INVESTMENTS</b>		
Short term deposits	157,032	149,472
Management valuation of unlisted investments	157,032	149,472
Average return on investments	6.00%	5.50%
The Local Authorities Ordinance No 23 of 1935 requires local authorities to invest funds, which are not immediately required, with prescribed institutions and the period should be such that it will not be necessary to borrow funds against the investment at a plenary rate to meet commitments. No investments were written off during the year. Investments are valued at cost.		
<b>6 LONG TERM DEBTORS</b>		
Loans	42,006	75,955
Less Short term portion	31,309	46,664
	10,697	29,291
<b>7 STOCK</b>		
The council does not hold any stock items	0	0
<b>8 DEBTORS</b>		
Current debtors (consumer and other)	33,223,929	28,105,226
Debtors and other advance	121,133	109,570
	33,345,062	28,214,796
Less: Provision for Bad Debts	9,304,400	9,304,401
	24,040,662	18,910,395
The council did not write off any debtors during the year. No additional provision has been made due to the fact that the provision is 28% of the total outstanding debtors.		
<b>9 LONG TERM LIABILITIES</b>		
Council has no long term loans		
<b>10 PROVISIONS</b>		
Audit fees	300,000	150,000
Leave reserve	959,628	1,067,278
	1,259,628	1,217,278



NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2007

	2007 R	2006 R
<b>11 CREDITORS</b>		
Trade creditors	3 575 706	905 283
Insurance claims control	0	163 189
Other creditors	1 630 550	1 982 694
VAT	2 551 079	1 978 673
	<u>7 757 335</u>	<u>5 029 839</u>

Note: VAT due to the Receiver of Revenue based on accruals to be paid when received is included in vat creditors

<b>12 Deposits</b>		
Trading deposits	104,700	104,700
	<u>104,700</u>	<u>104,700</u>

**13 ASSESSMENT RATES**

	Valuations as at 30-Jun  R	Actual income 2006/2007  R	Actual income 2005/2006  R
All Properties	<u>108 515 747</u>	<u>4,374,603</u>	<u>3,504,905</u>

Valuations on land and buildings should be performed every 5 years.

Due to the amalgamation of the various local authorities, different rates are still applicable for the areas under the jurisdiction of council.

The basic rate for Kareedouw was 8.14c per rand for land and 1.31c per rand for buildings, and for Joubertina 17.29c per rand for land and 3.67c per rand for buildings. The other areas varous from 0.001c per rand to 0.0148c per rand.

No rebates are granted.

**14 COUNCILLORS' ALLOWANCES**

Mayor	366 296	247 231
Councillors	1,304,107	1,220,184
	<u>1,670,403</u>	<u>1 467 415</u>

**15 AUDITORS' REMUNERATION**

Audit fees (Provision for fees)	<u>300 000</u>	<u>150 000</u>
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**16 APPROPRIATIONS**

Accumulated surplus (deficit) at the beginning of the year	14 749 732	14 722 611
Operating (deficit)/surplus for the year	(4 453 761)	168 122
Appropriations for the year:		
Prior year adjustments	310 020	( 141 001)
Contribution to Revolving Fund	( 141 282)	
Accumulated surplus (deficit) at the end of the year	<u>10 605 991</u>	<u>14 749 732</u>

Note: No contribution was made to the Revolving Fund due to the financial position

## NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2007

## 17 Overhead and administrative expenses

Basis of re-allocation of cost was based on the estimated time and cost spent by the department towards another department

## 18 Income recognition

Rates are raised based on three different valuation types accrual annually.

No rebates are granted to owners

The basis of billing is based on the tariffs as per the approved budget and is accrued monthly.

## 19 Capital/Contingent commitments

Claims have been submitted to Council for the cleaning and rehabilitation of the Stormsriver dumping site. The amount is in the region of R118200.

A claim for a telephone cable that was damaged by one of councils heavy duty equipment . The claims amounts to approximately R12000

A possible claim for the non awarding of tenders for the removal of refuse in Joubertina. The amount is not known.

Cost to defend the court case to review the rezoning of a golf estate

Cost to defend the court case with regard to the transfer of property in Coldstream

A section 21 Company, KEDC, needs to be deregistered and could cost in the region of R18000

Expenditure to the value of R1 207 731 has been incurred on capital projects.

	2007 R	2006 R
<b>20 FINANCE TRANSACTIONS</b>		
Total external interest - earned	73,994	123,298
Total external interest - paid	0	0
Capital charges - external	0	0
<b>21 CASH GENERATED BY OPERATIONS</b>		
(Deficit)/surplus for the year	-4,453,761	168,122
Adjustments in respect of:		
Previous years' operating transactions	310,020	1,292,311
Transfer to leave reserve	107,649	-230,860
Appropriations charged against income:		
- Capital Development Fund	141,282	
- Provisions and reserves		-1,921,248
- Fixed Assets		
Non operating expenditure	-2,769,506	-8,105,753
Non operating income	8,927,965	8,297,908
	<u>2,263,649</u>	<u>-499,520</u>
<b>22 (INCREASE)/DECREASE IN WORKING CAPITAL</b>		
(Increase)/Decrease in Stock	0	0
(Increase)/Decrease in Debtors	-4,774,398	-3,101,513
Increase/(Decrease) in Creditors	2,371,626	2,754,550
	<u>-2,402,771</u>	<u>-346,963</u>

# KOUKAMMA MUNICIPALITY

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## NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2007

	2007 R	2006 R
<b>24 (INCREASE)DECREASE IN EXTERNAL CASH INVESTMENT</b>		
Net decrease in investments	-7,559	168,465
	<u>-7,559</u>	<u>168,465</u>
<b>25 (INCREASE)/DECREASE IN CASH ON HAND</b>		
Cash balance at the beginning of the year	118,236	1,118,906
Less: Cash balance at the end of the year	-102,440	118,236
	<u>220,677</u>	<u>1,000,670</u>

### 26 RETIREMENT

The last actuarial valuations of the Cape Joint Pension and Retirement Funds and the SALA funds indicated the level of funding at 106% and 100% respectively.



# KOUKAMMA MUNICIPALITY

## APPENDIX A

Koukamma Municipality  
Annual Report 2006/2007

### ACCUMULATED FUNDS, RESERVES AND PROVISIONS

	Balance at 01-Jul-06	Contributions during year	Interest on Investment	Other Income	Expen/Transfers during year	Balance at 30-Jun-07
	R	R	R	R	R	R
<b>ACCUMULATED FUNDS</b>						
Revolving Fund	1 969 988	141 283	5 608	56 763		2 173 642
Dog Tax	55 203					55 203
	2 025 191	141 283	5 608	56 763	0	2 228 845
<b>TRUST FUNDS</b>						
Training	1 815					1 815
Housing	( 645 191)			1 165 156	2 260 235	(1 740 270)
Library	24 310			86 219	33 980	76 549
IDP	0			150 000		150 000
MSP	358 000			150 000	382 263	125 737
MIG				7 178 544		7 178 544
	( 261 066)	0	0	8 729 919	2 676 478	5 792 374
<b>RESERVES</b>						
Renewals fund	82 102					82 102
	82 102	0	0	0	0	82 102
<b>PROVISIONS</b>						
Audit fees	150 000	150 000				300 000
Leave reserve	1 067 278				107 650	959 628
	1 217 278	150 000	0	0	107 650	1 259 628



APPENDIX B

EXTERNAL LOANS

No External Loans





# KOUKAMMA MUNICIPALITY

## APPENDIX C

### ANALYSIS OF FIXED ASSETS

Koukamma Municipality  
Annual Report 2006/2007

Expenditure 2005/2006	Balance at 01/07/2006	Expenditure 2006/2007	W/Off, Trf, Redeemed or Sold 2006/2007	Balance at 30/06/2007
170 616	25 942 905	1 484 594	0	27 427 499
<b>RATES AND GENERAL SERVICES</b>				
<b>COMMUNITY SERVICES</b>	13 666 434	20 000	0	13 686 434
Properties and sundries	3 070 620	20 000		3 090 620
Public Works/Services	9 328 581			9 328 581
Health	92 900			92 900
Traffic	1 174 333			1 174 333
<b>SUBSIDISED SERVICES</b>	6 409 916	33 980	0	6 443 896
Buildings	3 022 950	33 980		3 022 950
Library	49 741			83 721
Fire Services	5 872			5 872
Cemetery	120 872			120 872
Parks, Halls and Recreation	3 210 481			3 210 481
<b>ECONOMIC SERVICES</b>	5 866 555	1 430 614	0	7 297 169
Refuse	21 298	1 430 614		21 298
Sewerage Services	5 845 257			7 275 871
<b>HOUSING SERVICES</b>	6 472 070	0	0	6 472 070
Sub Economic Housing	6 472 070			6 472 070
<b>TRADING SERVICES</b>	11 201 899	50 264	0	11 252 163
Electricity	3 769 707	50 264		3 769 707
Water	7 432 192			7 482 456
<b>TOTAL FIXED ASSETS</b>	43 616 874	1 534 858	0	45 151 732
<b>LESS: LOANS REDEEMED AND OTHER CAPITAL RECEIPTS</b>	39,923,157	1,534,858	0	41,458,015
Loans Redeemed and Advances Paid	6 347 172			6 347 172
Contributions ex Operating Income	4 228 528	20 000		4 248 528
Revolving fund	803 009			803 009
Grants and Subsidies	28 544 448	1 514 858		30 059 306
<b>NET FIXED ASSETS</b>	3,693,717	0	0	3,693,717



# KOUKAMMA MUNICIPALITY

## APPENDIX D

### ANALYSIS OF OPERATING INCOME AND EXPENDITURE FOR THE PERIOD ENDED 30 JUNE 2007

Actual 2005/2006	Actual 2006/2007	Budget 2006/2007
R	R	R
<b>INCOME</b>		
Government and Provincial grants and subsidies	12 928 277	10 293 000
Rates	5 819 604	5 587 837
Electricity	2 837 533	1 712 400
Water	4 179 283	4 357 705
Other	8 146 543	16 411 171
<b>25,670,897</b>	<b>33 911 240</b>	<b>38 362 113</b>
<b>EXPENDITURE</b>		
Salaries, wages and allowances	14 420 954	12 006 620
General expenses	16 051 856	14 660 548
Repairs and maintenance	5 555 949	5 559 750
Capital contributions	46 772	1 178 500
Contributions	2 289 470	3 508 050
<b>Gross expenditure</b>	<b>38 365 001</b>	<b>36 913 468</b>
Charge outs		
<b>Net expenditure</b>	<b>38 365 001</b>	<b>36 913 468</b>

